

House Amendment 1752

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1 1 Amend Senate File 562, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 15, by inserting after line 6 the
1 4 following:
1 5 <Sec. 500. Section 422.7, Code 2007, is amended by
1 6 adding the following new subsection:
1 7 NEW SUBSECTION. 50. Subtract the capital gain
1 8 from the following:
1 9 a. The sale of an equity investment in a business
1 10 if all of the following requirements are met:
1 11 (1) The equity investment is held for a period of
1 12 thirty-six months or more from the date of
1 13 acquisition.
1 14 (2) A credit is not claimed on the investment
1 15 under section 15E.66, 422.11F, or 422.11G.
1 16 (3) The deduction under this paragraph "a" is in
1 17 lieu of any deduction under section 1202 of the
1 18 Internal Revenue Code.
1 19 b. If the adjusted gross income computed for
1 20 federal income tax purposes includes income or loss
1 21 from a business operated by the taxpayer, the sale of
1 22 a building, land, or machinery and equipment used in
1 23 the operation of the business if the building, land,
1 24 or machinery and equipment are held for a period of
1 25 thirty-six months or more from the date of
1 26 acquisition.
1 27 An individual may claim the capital gain deduction
1 28 of a partnership, S corporation, limited liability
1 29 company, estate, or trust electing to have the income
1 30 taxed directly to the individual. The amount claimed
1 31 by the individual shall be based upon the pro rata
1 32 share of the individual's earnings of a partnership, S
1 33 corporation, limited liability company, estate, or
1 34 trust.
1 35 Sec. 501. Section 422.35, Code 2007, is amended by
1 36 adding the following new subsection:
1 37 NEW SUBSECTION. 23. Subtract the capital gain
1 38 from the following:
1 39 a. The sale of an equity investment in a business
1 40 if all of the following requirements are met:
1 41 (1) The equity investment is held for a period of
1 42 thirty-six months or more from the date of
1 43 acquisition.
1 44 (2) A credit is not claimed on the investment
1 45 under section 15E.66 or section 422.33, subsection 12
1 46 or 13.
1 47 b. The sale of a building, land, or machinery and
1 48 equipment used in the operation of the business if the
1 49 building, land, or machinery and equipment are held
1 50 for a period of thirty-six months or more from the
2 1 date of acquisition.>
2 2 #2. Page 17, by inserting after line 7 the
2 3 following:
2 4 <Sec. _____. APPLICABILITY DATE. Sections 500 and
2 5 501 of this Act apply retroactively to capital
2 6 investments made in or by businesses on or after
2 7 January 1, 2007, for tax years ending after that
2 8 date.>
2 9 #3. Title page, line 5, by inserting after the
2 10 word <matters> the following: <and including a
2 11 retroactive applicability date provision>.
2 12 #4. By renumbering as necessary.
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2 14 _____
2 15 ALONS of Sioux
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2 19 BAUDLER of Adair
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2 22 _____
2 23 CHAMBERS of O'Brien
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2 27 DE BOEF of Keokuk
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2 31 DRAKE of Pottawattamie
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2 35 FORRISTALL of Pottawattamie
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2 39 HUSEMAN of Cherokee
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2 43 MAY of Dickinson
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2 47 ROBERTS of Carroll
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3 1 VAN FOSSEN of Scott
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3 5 WATTS of Dallas
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3 9 WORTHAN of Buena Vista
3 10 SF 562.205 82
3 11 tm/es/9609